

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF DUKE ENERGY KENTUCKY,)	CASE NO.
INC. TO CONTINUE AND AMEND THE HOME)	2011-00109
ENERGY ASSISTANCE PROGRAM)	

O R D E R

Pursuant to the final Order in Case No. 2008-00100,¹ Duke Energy Kentucky, Inc. (“Duke Kentucky”) has filed an application to continue its Home Energy Assistance (“HEA”) program for a three-year period from September 25, 2011 through September 24, 2014. In support of its application, Duke Kentucky states that the Commission authorized Duke Kentucky to reinstitute the HEA program in Case No. 2008-00100 for a three-year period, running through September 24, 2011. The existing HEA program is administered under Duke Kentucky’s Wintercare program, which provides assistance to low-income customers to help pay their gas and/or electric bills. The Wintercare program is completely funded by Duke Kentucky employees, customers, and shareholders. Since 2005, Duke Kentucky has fully matched every dollar donated by employees and customers, up to \$25,000 in contributions.² In Case No. 2008-00100, Duke Kentucky contributed an additional \$25,000 in new shareholder funding in support of the HEA program. Duke Kentucky indicated that it will continue to contribute this

¹ Case No. 2008-00100, Application of Duke Energy Kentucky, Inc. to Reinstitute a Home Energy Assistance Program (Ky. PSC Sept. 25, 2008).

² Id. at 3.

level of funding through the duration of the three-year HEA program should the Commission approve its continuation.

The HEA program is available to Duke Kentucky's customers who meet an income qualification level of up to 150 percent of the federal poverty level. The Northern Kentucky Community Action Commission ("NKCAC") implements the HEA program by determining the income qualification of participants and providing the relevant information to Duke Kentucky. Duke Kentucky would then apply the bill credit to the eligible customer's bill and notify the customer of the credits through a bill message. To the extent qualifying customers at or below 150 percent of the federal poverty level have other assistance available at the time of need, e.g. Low Income Home Energy Assistance Program ("LIHEAP") or Wintercare, HEA program funds would not be expended for those customers. HEA funds are available for income-qualifying customers once other low-income program funds have been depleted. The assistance period for the HEA program is July 1 to June 30. Eligible customers may receive up to \$300 per assistance-period. Since the Commission approved the current HEA program, Duke Kentucky notes that funds have assisted approximately 2,000 customers to help pay their utility bills in the company's service territory.

Duke Kentucky currently charges residential electric customers and residential gas customers \$0.10 per account per month. Customers who receive electric and gas service have two accounts and, therefore, must pay a total of \$0.20 per month. As of the end of December 2010, Duke Kentucky had 18,310 gas-only customers, 52,148 electric-only customers, and 72,801 combination gas-and-electric customers. This is expected to generate approximately \$21,972 annually in revenues from gas-only

customers; \$62,577.60 from electric-only customers; and \$174,722.40 from combination gas-and-electric customers for a total of \$259,272. The total annual bill cost impacts to customers are expected to be approximately \$1.20 for gas-only customers and electric-only customers and \$2.40 for combined gas-and-electric customers.

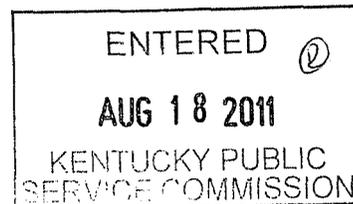
Pursuant to the Commission's final Order in Case No. 2008-00100, Duke Kentucky files an annual progress report for the HEA program along with its annual Demand-Side Management filing. Among other things, Duke Kentucky is required to report on the number of clients served by the program, the number of clients not served due to exhaustion of funds, the date the funds were depleted for the 12-month assistance period, the total amounts collected under the program with a breakdown between gas accounts and electric accounts, the total number of disbursements, and NKCAC's actual administrative costs associated with implementing the program.

Having reviewed the record and being otherwise sufficiently advised, the Commission finds that Duke Kentucky's request to continue the HEA program for another three-year period should be approved. Duke Kentucky will be allowed to continue the imposition of its HEA surcharge on a per-account-per-month basis for the 36 months following the expiration of the current three-year period on September 24, 2011. Given the continuing fragile state of the national economy and the potential significant reduction in federal LIHEAP funds, the Commission again is encouraged by the efforts of Duke Kentucky to continue a program that attempts to address the needs of its low-income customers while minimizing the rate impacts on those customers who will be funding the program.

IT IS THEREFORE ORDERED that:

1. Duke Kentucky's request to continue its HEA program for another three-year period is approved.
2. Within 20 days of the date of this Order, Duke Kentucky shall file its revised tariff for the HEA program, including its effective date, and showing that it was approved by authority of this Order.
3. Duke Kentucky's application to continue or terminate the HEA program shall be filed with the Commission no later than six months prior to the expiration of the program.
4. This matter is closed and is removed from the Commission's docket.

By the Commission



ATTEST:


Executive Director

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